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October 17, 2014

The Honorable Janet L. Sanders c/o Antitrust Division Office of the Attorney General 1 Ashburton Place Boston, MA 02108

Via Fax: 617-722-0184: 2 Pages

Re: Commonwealth of Massachusetts v. Partners HealthCare System, Inc., South Shore Health and Educational Corp., and Hallmark Health Corp., Superior Court, Civil Action No. 14-2033-BLS

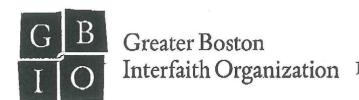
Dear Judge Sanders,

We attended the status conference that you held in open court and appreciate the thoughtfulness with which you are moving this matter forward. Thank you for the opportunity to provide additional public comment, and we will address two concerns you raised in light of your reading the documents filed to date.

First, you raised the possibility of the court appointing an expert to advise the court on its ruling and/or a monitor to oversee see the execution of a settlement agreement if you approve one. We propose you appoint the Health Policy Commission to either or both roles, for the following reasons:

- (1) they are already charged by the statute to study the matters such as those addressed in the proposed settlement agreement;
- (2) they already have the staff and resource capacity to match those of both the litigants and other competitors who have a financial interest in the outcome;
- (3) they have the requisite expertise;
- (4) they are dis-interested; and
- (5) they have the confidence of entities such as ourselves that have no direct financial stake in the outcome but whose constituencies will be seriously affected by your ruling.

Second, you expressed a concern that the dispute now appears to be not between the litigants but rather that you were confronted with a great deal of public comment opposing the agreement, both from those with no financial stake in the outcome as well as competitors in the market place. And so you were wondering whether you needed some evidentiary process to resolve some of the matters now before you.



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As we stated in our previous letter, we take no position one way or the other regarding the agreement. But with regard to an evidentiary process, we reiterate our position that the best result is to wait. Right now all the competitors in the market place are making claims that their behavior in this market will lower the cost growth rate. CHIA and the HPC are charged with the responsibility of measuring and monitoring whether those claims bear fruit or not, with September/October 2015 being the next marker. Accordingly, we urge the court to hold this matter open for 1-2 years, until a considerable amount of additional, and real, evidence is "in."

There was comment in open court that there is urgency due to the fact that without the agreement Hallmark could be de-stabilized financially. On the one hand, the HPC disputes that contention. Moreover, other competitors contend that they will be de-stabilized if the agreement is approved, because of revenue that will be shifted from their institutions to one of the Partners'-related providers.

From a public interest perspective—and especially for vulnerable populations—the viability and well-being of some of the providers that are at the forefront of meeting the health needs of vulnerable populations, or who are low-cost providers that give real value to consumers, are key issues of concern to us. The future viability and well-being of these organizations to date have not really been part of anyone's study—be it the HPC or the Attorney General as it relates to the consequences of these proposed transactions involving South Shore and Hallmark. These issues should be studied over the next few years.

As we noted in our September submission, it is just this sort of data that may well give guidance to all parties about how best to approach the concept and content of any viable settlement agreement that meets a range of societal goals tied to a quality, affordable health care system for all. By 2016 or so, we will all be at a much more informed place then where we are at this moment in time.

Very Truly Yours.

Rev. Burns Stanfield, President

cc: Health Policy Commissioners and Executive Director **CHIA Executive Director**